GENERAL SERVICES ADMINISTRATION

41 CFR Parts 300-3, 301-10, and 301-70

[FTR Amendment 2015-03, FTR Case 2014-302; Docket 2014-0014,

Sequence 1]

RIN 3090-AJ48

Federal Travel Regulation; Enhancement of Privately Owned Vehicle and Rental Vehicle Policy

AGENCY: Office of Government-wide Policy (OGP), General Services Administration (GSA).

ACTION: Final rule.

SUMMARY: GSA is amending the Federal Travel Regulation (FTR) by requiring agencies to have an internal policy for determining whether to authorize a privately owned vehicle (POV), as opposed to a rental car, in conjunction with temporary duty travel (TDY). Further, this rule specifies that travelers, who have been authorized to travel via common carrier or rental car, and choose to use a POV instead, will be reimbursed at the applicable POV mileage rate. Additionally, this rule adds specific provisions addressing the type of rental vehicles travelers must use, pre-paid refueling options, and other rental car surcharges. Finally, this rule makes certain miscellaneous corrections, where applicable.

DATES: Effective Date: [Enter date of publication in the Federal Register].

FOR FURTHER INFORMATION CONTACT: For clarification of content, contact Mr. Cy Greenidge, Program Analyst, Office of Government-wide Policy, at 202-219-2349. Contact the Regulatory Secretariat (MVCB), 1800 F Street NW, Washington, DC 20405, 202-501-4755, for information pertaining to status or publication schedules. Please cite FTR Amendment 2015-03; FTR case 2014-302.

SUPPLEMENTARY INFORMATION:

A. Background

GSA published a proposed rule in the <u>Federal Register</u> on October 20, 2014 (79 FR 62588). That rule proposed amending the FTR to require that agencies have an internal policy for determining when to authorize a POV, as opposed to a rental car, in conjunction with TDY. Additionally, the rule proposed to amend the FTR to state that travelers who have been authorized by their agencies to travel via common carrier or rental car, and choose to use a POV instead, would be reimbursed at the applicable POV mileage rate up to the constructive cost of the authorized mode of transportation plus per diem. Further, the rule proposed amending the FTR to state that travelers who are authorized to use a rental car in conjunction with TDY must use the least expensive compact car available; addressed

reimbursement pertaining to pre-paid refueling options for rental cars; denied reimbursement of surcharges involved when rental car companies purchase miles from airlines and provide those miles to their vehicle customers; and proposed to amend the FTR to make certain miscellaneous corrections, where applicable.

The public had 60 calendar days to comment on the proposed rule. GSA received a total of seven comments from three commenters, and made changes to the substance of this final rule, although changes are not considered to be significant.

B. Analysis of Public Comments

<u>Comment</u>: One respondent expressed concern that changing the term "government-furnished automobile" to "government-owned automobile (GOA)" would generate uncertainty as to how travelers should account for vehicles leased by the Federal Government.

Response: GSA agreed with these concerns and will amend the FTR to more consistently use the term "government-furnished automobile." GSA is amending the current definition, however, as it pertains to use of the term "GSA Fleet" and the 120-day rental period to be consistent with the Federal Management Regulation.

<u>Comment</u>: One respondent stated that requiring a medical professional to recommend a suitable vehicle class is not

feasible, since busy or indifferent medical authorities will merely sign statements prepared by travelers.

Response: We agreed that requiring a medical professional to recommend a suitable vehicle class is not feasible, and therefore, have removed this language from the final rule.

<u>Comment</u>: One respondent recommended an additional exception (§ 301-10.450(c)(6)) permitting the use of a noncompact car for safety reasons due to severe weather or terrain.

Response: We agreed with this recommendation and have added this language to the final rule.

Comment: One respondent stated that requiring an annual written statement from a medical authority (§ 301-10.450(c)(1)(i)) is unduly complex and contrary to existing law and regulation.

Response: Since the requirement for an annual written statement from a medical authority is stipulated in § 301-10.123(a)(2) when requesting the use of other than coach class accommodations, we believe this same requirement should apply when requesting the use of other than a compact car. Proposed language will not change.

<u>Comment</u>: One respondent stated that changing travel policy to not reimburse fees associated with rental car loyalty points will increase the chance of improper payments for such small dollar amounts and will slow down the voucher review process.

The respondent recommended changing rental car agreements to prohibit charging such fees or offering them to Federal travelers. The respondent also recommended changing the ETS2 contract to not allow adding frequent flyer mileage numbers for car rentals.

Response: Travelers may not be reimbursed for rental car fees associated with rental car loyalty points because these are not official expenses. 5 U.S.C. 5706 permits reimbursement of actual and necessary travel expenses only. Changing the rental car agreements and the ETS2 contract are not within the scope of the Office of Government-wide Policy, thus proposed language will not change.

Comment: One respondent stated that the requirement to consider the total cost of travel using a rental car versus personal vehicle does not include the cost of official time spent obtaining a rental vehicle, which the commenter stated was comparatively large. The commenter argued that time spent in making detailed comparisons will eliminate any potential cost savings.

Response: A POV should be authorized only after the agency considers a common carrier, a Government-furnished automobile, and a rental car, and the employee agrees to use a POV. The final rule has been changed to make this order of preference

clearer. The comparison should include all costs associated with the trip.

<u>Comment:</u> One commenter recommended adding the language, "if the estimated cost for the use of a privately owned vehicle is \$100 or less, no documentation of the cost savings should be required". The commenter stated that this is because the direct costs (rental fees and local rental taxes, travel cost for driving to and parking at the rental car site), plus the indirect costs (time to book the rental vehicle, travel to and from the rental site, etc.) would likely always exceed \$100.

Response: From a Government-wide perspective, because each agency has unique missions and fiscal considerations, it would not be prudent to artificially set a threshold or arbitrary number for cost comparison between different modes of transportation. If an agency can determine a break-even point through historical or empirical data, they may establish a threshold in their internal policy and procedures documentation. This way, the cost of comparison is not repeated for all trips when the cost is at or below that determined threshold.

Proposed language will not change.

C. Executive Orders 12866 and 13563

Executive Orders (E.O.s) 12866 and 13563 direct agencies to assess all costs and benefits of available regulatory alternatives, and if regulation is necessary, to select

regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety effects, distributive impacts, and equity). E.O. 13563 emphasizes the importance of quantifying both costs and benefits, of reducing costs, of harmonizing rules, and of promoting flexibility. This final rule is not a significant regulatory action, and therefore, was not subject to review under Section 6(b) of E.O. 12866, Regulatory Planning and Review, dated September 30, 1993.

D. Regulatory Flexibility Act

This final rule would not have a significant economic impact on a substantial number of small entities within the meaning of the Regulatory Flexibility Act, 5 U.S.C. 601, et seq. This final rule is also exempt from the Administrative Procedure Act pursuant to 5 U.S.C. 553(a)(2) because it applies to agency management or personnel.

E. Paperwork Reduction Act

The Paperwork Reduction Act does not apply because these changes to the FTR do not impose recordkeeping or information collection requirements, or the collection of information from offerors, contractors, or members of the public that require the approval of the Office of Management and Budget (OMB) under 44 U.S.C. 3501, et seq.

F. Small Business Regulatory Enforcement Fairness Act

This final rule is also exempt from Congressional review prescribed under 5 U.S.C. 801. This final rule is not a major rule under 5 U.S.C. 804.

List of Subjects in 41 CFR Parts 300-3, 301-10, and 301-70

Administrative practices and procedures, Government employees, Travel and transportation expenses.

Dated: May 4, 2015.

Denise Turner Roth, Acting Administrator of General Services. For the reasons set forth in the preamble, pursuant to 5 U.S.C. 5701-5711, GSA amends 41 CFR parts 300-3, 301-10 and 301-70 as set forth below:

PART 300-3-GLOSSARY OF TERMS

1. The authority citation for 41 CFR part 300-3 continues to read as follows:

Authority: 5 U.S.C. 5707; 40 U.S.C. 121(c); 49 U.S.C. 40118; 5 U.S.C. 5738; 5 U.S.C. 5741-5742; 20 U.S.C. 905(a); 31 U.S.C. 1353; E.O 11609, as amended, 3 CFR, 1971-1975 Comp. p. 586, Office of Management and Budget Circular No. A-126, revised May 22, 1992.

\$300-3.1 [AMENDED]

- 2. Amend § 300-3.1, in the definition of "Government-furnished automobile", by-
- a. Removing from paragraph (b) the phrase "the GSA Interagency Fleet Management System" and adding the phrase "GSA Fleet" in its place.
- b. Removing from paragraph (c) the phrase "60 days" and adding the phrase "120 days" in its place.

PART 301-10-TRANSPORTATION EXPENSES

3. The authority citation for 41 CFR part 301-10 continues to read as follows:

Authority: 5 U.S.C. 5707; 40 U.S.C. 121(c); 49 U.S.C. 40118; OMB Circular No. A-126, revised May 22, 1992.

- 4. Amend \S 301-10.5 by revising the section heading and adding paragraphs (c) and (d) to read as follows:
- § 301-10.5 What are the presumptions as to the most advantageous method of transportation by order of precedence?
- (c) <u>Rental car</u>. If no Government-furnished automobile is available, but your agency has determined that travel must be performed by automobile, then a rental car should be authorized.
- (d) <u>Privately Owned Vehicle (POV)</u>. POVs should be determined to be the most advantageous method of transportation only after your agency evaluates the use of a common carrier, a Government-furnished automobile, and a rental car.
- 5. Revise the undesignated center heading preceding § 301.10-220 to read as follows:

Government-Furnished Automobiles

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6. Revise § 301-10.309 to read as follows:

§ 301-10.309 What will I be reimbursed if I am authorized to use common carrier transportation or a rental vehicle and I use a POV instead?

You will be reimbursed the applicable POV rate on a mileage basis, plus per diem, not to exceed the total constructive cost of the authorized method of common carrier transportation plus per diem. Your agency must determine the constructive cost of

transportation and per diem by common carrier under the rules in \$ 301-10.310.

7. Revise § 301-10.310 to read as follows:

§301-10.310 What will I be reimbursed if I am authorized to use a Government-furnished automobile and I use a privately owned automobile instead?

You will be reimbursed based on a constructive mileage rate limited to the cost that would be incurred for use of a Government automobile. This rate will be published in an FTR bulletin available at http://www.gsa.gov/ftr. If your agency determines the cost of providing a Government-furnished automobile would be higher because of unusual circumstances, it may allow reimbursement not to exceed the mileage rate for a privately owned automobile. In addition, you may be reimbursed other allowable expenses as provided in §301-10.304.

8. Amend § 301-10.450 by revising the section heading and adding paragraphs (c) through (e) to read as follows:

§ 301-10.450 What are the policies when authorized to rent a vehicle for official travel?

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(c) Travelers must use the least expensive compact car available, unless an exception for another class of vehicle is approved. Agencies should approve these exceptions on a limited basis and must indicate on the travel authorization the reason

for the exception. Your agency may authorize the use of other than a compact car if any of the following apply:

- (1) When use of other than a compact car is necessary to accommodate a medical disability or other special need.
- (i) A disability must be certified annually in a written statement by a competent medical authority. However, if the disability is a lifelong condition, then a one-time certification statement is required. Certification statements must include at a minimum:
- (A) A written statement by a competent medical authority stating that special accommodation is necessary;
- (B) An approximate duration of the special accommodation; and
- (ii) A special need must be certified annually in writing according to your agency's procedures. However, if the special need is a lifelong condition, then a one-time certification statement is required;
- (iii) If you are authorized under § 301-13.3(a) to have an attendant accompany you, your agency may authorize the use of other than a compact car if deemed necessary by your agency.
- (2) When required because of agency mission,
 consistent with your agency's internal procedures pursuant to
 § 301-70.102(i).

- (3) When the cost of other than a compact car is less than or equal to the cost of the least expensive compact car.
- (4) When additional room is required to accommodate multiple employees authorized to travel together in the same rental vehicle.
- (5) When travelers must carry a large amount of Government material incident to their official business, and a compact rental vehicle does not contain sufficient space.
- (6) When necessary for safety reasons, such as during severe weather or having to travel on rough or difficult terrain.
- (d) Travelers are not to be reimbursed for purchasing prepaid refueling options for rental cars. Therefore, travelers should refuel prior to returning the rental vehicle to the drop-off location. However, if it is not possible to refuel completely prior to returning the vehicle because of safety issues or the location of closest fueling station, travelers will be reimbursed for vendor refueling charges.
- (e) Travelers will not be reimbursed for fees associated with rental car loyalty points or the transfer of points charged by car companies.

PART 301-70-INTERNAL POLICY AND PROCEDURE REQUIREMENTS

9. The authority citation for 41 CFR part 301-70 continues to read as follows:

Authority: 5 U.S.C. 5707; 40 U.S.C. 121(c); Sec. 2, Pub. L. 105-264, 112 Stat. 2350 (5 U.S.C. 5701, note), OMB Circular No. A-126, revised May 22, 1992, and OMB Circular No. A-123, Appendix B, revised January 15, 2009.

- 10. Amend § 301-70.101 by adding paragraphs (c) through
 (e) to read as follows:
- § 301-70.101 What factors must we consider in determining which method of transportation results in the greatest advantage to the Government?

* * * * *

- (c) When travel must be performed by automobile, agencies should next consider using a Government-furnished automobile.
- (d) If a Government-furnished automobile is not available, agencies should then consider using the least expensive compact rental vehicle.
- (e) Agencies should lastly consider authorizing a POV only if the employee agrees to use a POV, because agencies cannot mandate employees to use their POV for official reasons.
- 11. Amend § 301-70.102 by revising paragraphs (d), (f), and (i) to read as follows:
- § 301-70.102 What governing policies must we establish for authorization and payment of transportation expenses?

* * * * *

- (d) When you will consider use of a POV advantageous to the Government, such as travel to and from common carrier terminals or to the TDY location. When determining whether the use of a POV to a TDY location is the most advantageous method of transportation, agencies must consider the total cost of using a POV as compared to the total cost of using a rental vehicle, including rental costs, fuel, taxes, parking (at a common carrier terminal, etc.), and any other associated costs;
- (f) Procedures for allowing the use of a special conveyance (e.g., commercially rented vehicles), taking into account the requirements of \S 301-10.450;

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(i) Develop and issue internal guidance on what specific mission criteria justify approval of the use of other than coach-class transportation under §§ 301-10.123(a)(4), 301-10.123(b)(9), and 301-10.162(e), as well as on the use of other than lowest first-class under § 301-10.183(d) and the use of other than a compact rental car under § 301-10.450(c). The justification criteria shall be entered in the remarks section of the traveler's authorization.

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§§ 301-10.5, 301-10.200, 301-10.220, 301-10.310 and 301-70.104

[Amended]

12. Amend §§ 301-10.5, 301-10.200, 301-10.220, 301-10.310 and 301-70.104 by removing the words "Government automobile" wherever they appear and adding "Government-furnished automobile" in their places.

[Billing Code 6820-14]

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